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DEPARTMENT OF ENERGY

NOTIFICATION

The 10th April 2012

No. 2991—IV-BT (ED)-3/2012-En.—During the financial year 2009-2010, the State of Odisha faced serious power crisis due to increase in the demand of the State mainly on account of rapid industrialization and massive Rural Electrification as well as inadequate hydropower availability from the hydro projects of the State due to monsoon failure.

In order to tide over that crisis situation, the Government of Odisha in Energy Department issued directions vide notification, Dt. 22-4-2009 and 4-7-2009 under Section 11 of the Electricity Act, 2003 to all Captive Generating Plants (CGPs.) to maximize the generation to their full capacity and inject the same to State Grid after their captive consumption.

During 2010-2011 due to initial good rain-fall a normal monsoon was expected. Further, a few IPPs. were also expected to commence generation and inject power to the State Grid. Hence the restriction under Section 11 of the Electricity Act, 2003 was not imposed on the CGPs. Subsequently neither the monsoon was as expected nor the IPPs. due to shortage of coal supply, could be operational. The deficit of power under the aforesaid circumstances was further aggravated due to additional power required by the new industries which came up in the State and supply of power to the beneficiaries under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Biju Gram Jyoti (BGJ) Schemes being undertaken by the Government in the rural areas.

Although there was no formal directive by the Government of Odisha under Section 11 of the Electricity Act, 2003 for supply of power to the State Grid during the year 2010-2011, it is a fact that the deficit scenario continued to persist till October, 2010 and GRIDCO/SLDC approved the schedule of CGPs from time to time to maximize the drawal for mitigating the deficit situation in public interest.

In the process of supporting the State during the crises, some of them lost their CGP status involuntarily. According to Rule 3 of the Electricity Rules, 2005, the power plant shall qualify as a

Captive Generating Plant provided it consumes 51% of the aggregate annual generation of such plant. These captive generating plants thus, faced the twin problem of being—

- (i) deprived of the exemption of electricity duty under IPR, 2001, and
- (ii) not paid the preferential CGP price towards supply of surplus power to GRIDCO.

Further, Government has already invoked Section 11 of the Act, 2003 on 25-11-2011 directing CGPs. to maximise generation and supply power to the State Grid to tide over power crisis situation till June, 2012.

Keeping in view the larger interest of the State and difficulties faced by the CGPs. due to invocation of Section 11 of Electricity Act, 2003 by Government, the State Cabinet in their 21st meeting held on 21-2-2012 have decided as follows —

- (a) The quantum of supply of surplus power to GRIDCO during FY 2009-2010 & 2010-2011 (April 2010 to October 2010) by the CGPs. is construed as being deemed self-consumption for the purpose of determination of CGP status.
- (b) The injection made by CGPs. to the State GRID during period of invocation of Section 11 will be considered as deemed self-consumption in the FY 2011-2012 and 2012-2013.

By order of the Governor

G. MATHI VATHANAN

Commissioner-*cum*-Secretary to Government